Solicitation Information
February 19, 2013

RFP # 7461254

Title: Enhanced Fraud, Waste and Abuse and Improper Payment Surveillance and Detection Capability

Submission Deadline: March 26, 2013 @ 10:00 AM (EST)

Questions concerning this solicitation must be received by the Division of Purchases at David.Francis@purchasing.ri.gov no later than **March 13, 2013 @ 12:00 AM Midnight (EST)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP # on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No
BOND REQUIRED: No

David J. Francis
Interdepartmental Project Manager

Applicants must register on-line at the State Purchasing Website at:
www.purchasing.ri.gov

Note to Applicants:
Offers received without the entire completed four-page RIVP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.

2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.

3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.

4. Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.

5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.

6. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.

7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.

8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at www.purchasing.ri.gov.

9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.

10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.

11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.

12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Opportunity Office at (401) 222-3090.

13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).

14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information, contact the MBE Administrator at (401) 574-8253 or visit the website www.mbe.ri.gov or contact charles.newton@doa.ri.gov.

Table of Contents

Section 1 - Introduction

The Rhode Island Department of Administration/Division of Purchases, on behalf of the Rhode Island Executive Office of Health and Human Services (EOHHS) is soliciting proposals to enhance its current efforts to combat fraud, waste and abuse and to prevent otherwise improper payment demands across the health and human services enterprise.

EOHHS is issuing this Request for Proposals (RFP) to solicit proposals from qualified entities for a real-time, or near real-time, predictive modeling solution to supplement the traditional rule-based screening and editing of Medicaid claims. It is envisioned that the predictive modeling solution will have the capability to integrate with the existing Medicaid claims processing system, analyze Medicaid claims data and provide real-time, or near real-time, transaction risk scoring and referral strategy capabilities. It should have broad linkage with external data sources to extrapolate claims or consumer application patterns evident in other jurisdictions and programs which may be applicable to claims presented in Rhode Island. Management and reporting capabilities will provide workflow management and workstation tools that present systematic data on the Medicaid claims selected by the predictive modeling solution so that analysts are able to review, investigate and approve or deny claims in an automated manner consistent with Medicaid program and payment processing requirements.

This is a Request for Proposals, not an Invitation to Bid; responses will be evaluated on the basis of the relative merits of the proposals. There will be no public opening and reading of the responses received by the Office of Purchases pursuant to this Request, other than to name those offerors who have submitted proposals. Funding associated with any award pursuant to this Request has not yet been appropriated, and will be subject to consideration by the Governor and the General Assembly in the context of the SFY2014 Rhode Island State Budget.

1.1 Background

EOHHS is the Governor's Cabinet Office overseeing the four (4) state health and human services departments: the Departments of a) Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH); b) Children, Youth, and Families (DCYF);
c) Health (DoH); and d) Human Services (DHS). EOHHS also is the Medicaid Single State Agency.

The EOHHS enterprise spends nearly $3 billion per year (state and federal funding) on direct services and benefits to approximately 300,000 citizens. The State of Rhode Island has approximately 192,000 Medicaid members.

EOHHS is in the process of forming an Office of Program Oversight, which is intended to consolidate and coordinate efforts and resources across the health and human services enterprise addressing fraud, waste and abuse control, as well as all other aspects of program integrity.

EOHHS is interested in detection, surveillance, and prevention strategies and capabilities focused on both providers and program recipients, and is specifically interested in products and services that prevent suspect payments from being made.

EOHHS works closely with the state's Medicaid fiscal agent, Hewlett Packard Enterprise Services (HPES), to administer a significant portion of these programs, and many of the state's cash assistance programs are administered through the state's Financial Assistance Management Information System (FAMIS), known as InRhodes. Programs not administered through the Medicaid Management Information System (MMIS) or InRhodes are administered through individual contracts. Most of the improper payment infrastructure is aimed at provider payments made through the MMIS. Recipient fraud and abuse investigation is largely ad hoc, manual, and complaint driven.

The State has recently signed a contract with Deloitte Consulting for a new state-of-the-art computer system for eligibility determination for all of the EOHHS programs – progressively replacing functionality currently housed on the InRhodes system over the next three (3) years.

A Request for Information (#7449532) was issued in 2012 to assess current product and service offerings in this domain, and responses to that RFI have informed this solicitation.

1.2 Procurement Authority

This RFP is issued under the authority of the General Laws of the State of Rhode Island (R.I.G.L.), the Affordable Care Act, Title XIX of the Social Security Act, as amended, and the implementing regulations issued under that authority. Any proposal submitted by any prospective vendor that fails to meet any published requirement may, at the option of the State, be rejected without further consideration.

1.3 Anticipated Term of Contract

The Contract that results from this RFP will have an initial term that begins with Contract execution and terminates twenty four (24) months from the execution date. The Contract may be extended at the discretion of EOHHS, in twelve month increments through 2016 with the Scope of Work to be negotiated by the contracting parties.

Section 2 - Vendor Qualifications

2.1 Firm Qualifications

The Vendor selected for this engagement should have:

A. Demonstrable experience designing and implementing interactive healthcare fraud predictive modeling solutions;

B. Experience designing and implementing healthcare industry specific risk scoring tools and artificial intelligence and sophisticated pattern recognition algorithms;

C. Experience using integrated healthcare transactions processes in real time or near real time;

D. Medicaid Management Information System (MMIS) experience;

E. Experience with fraud, waste and abuse detection in Medicare, Medicaid and other healthcare or insurance programs;

F. The ability to provide qualified staff to meet the scope and desired outcomes of this RFP;

G. A working knowledge and use of a tool to support project management and the delivery of artifacts;

H. Effective written and verbal communication skills; and

I. A demonstrable, recent, track record of completing multiple projects with similar scope.

J. Experience in IT systems integration (interfaces)

2.2 Staff Qualifications

Collectively, staff members proposed for this engagement must meet the following prerequisites:

A. Expert subject matter knowledge of statistics, decision support, healthcare informatics, multivariate modeling techniques, and model diagnostics;

B. Proven abilities in advanced statistical and predictive modeling techniques in a healthcare environment;

C. The ability to understand business requirements and incorporate prediction models into business processes;

D. Applied knowledge of risk prediction technologies with integrated transaction process; and

E. Experience with fraud, waste and abuse detection in Medicare, Medicaid and other healthcare or insurance programs.

Section 3 - Programmatic Response

3.1 Instructions

The Vendor shall include in its written narrative a detailed description of _how_ it will address each of the lettered or bulleted requirements specified in Sections 3.2.1 through 3.2.3. The narrative response shall:

    A. Demonstrate the Vendor's understanding of the needs of EOHHS relative to the tasks herein;

    B. Describe how the Vendor's product and services will meet each of the initiative's requirements;

    C. Provide a statement describing the approach the Vendor will take to meet the requirement's needs; and

    D. Clearly indicate the Vendor's agreement to provide each and every listed requirement or provide an alternative that the Vendor will agree to provide/perform, and which EOHHS must approve as an acceptable alternative.

Vendors may combine/merge deliverables but must always provide an explanation /justification and identify the individual deliverables in their response to the numbered requirements.

The Vendor's response to each of the numbered items below must repeat the RFP section number (_e.g.,_ 3.2.3.2). When bulleted lists follow a numbered requirement, each of the bullets should be addressed in the Vendor's response to the numbered requirement; failure to address each of the bullets will likely result in a lower evaluation.

While suggested page limits are provided for general guidance, adherence to such limits will be appreciated. Samples of reports and other deliverables (redacted as appropriate) are encouraged and do not count against the suggested page limits.

3.2 Programmatic Activities

EOHHS seeks a knowledgeable and experienced Vendor to employ advanced predictive modeling techniques that can screen for, select, and score claims that have a high probability of payment error and refer these claims for review and verification. The Vendor will use technology capable of deploying algorithms and analytical processes to examine claims by member, provider, service and other attributes with the goal to identify and assign an alert and risk score that prioritizes claims for further review. Given these expectations, it is envisioned that the predictive modeling system will work in the following manner:

    A. The predictive modeling solution system is fully integrated into the MMIS claims processing system;

    B. Claims enter the MMIS claims processing system and pass through the existing MMIS automated pre-payment edits and payment rules;

C. Claims are automatically approved for payment, denied, or suspended for review;

D. All claims enter the predictive modeling solution system without impact to current systems processing performance levels;

E. Claims that have been automatically approved for payment are scored;

F. Based on pre-determined thresholds, high-risk and suspect claims are flagged;

G. Flagged claims are submitted to analysts for review via an interactive web-based user interface

H. Analysts provides feedback and final disposition to predictive modeling solution; and,

I. Inherent learning and genetic features of predictive modeling solution increase performance and accuracy over time.

In this "Scope of Services", sections that describe in detail the specific functions that will be required from the selected Vendor during the project's "Start-Up and Development Phase" are found in Section 3.2.1 and the sections that related to activities that will occur during the "Operations and Maintenance Phase" will be found in Section 3.2.2.

3.2.1 Scope of Service: Start-up and Development Phase

This section describes the functionality required of a predictive modeling solution and the services the Vendor must provide in support thereof, during the period of time between Contract award and the commencement of operations. Throughout this document, this component of the initiative is referred to as the "Start-Up and Development Phase".

3.2.1.1 Predictive Modeling Solution Functionalities

The Vendor selected for this engagement must provide a predictive modeling solution that will:

A. Handle all claims submitted to Medicaid for payment (*e.g.* in FY2011 an average of 259,600 Medicaid claims were submitted per week);

B. Integrate seamlessly into the existing Medicaid MMIS claims processing system with minimal effort, time and cost and assure no disruption in the regulatory processing of claims;

C. Integrate into multiple points in the claim processing flow from submission through adjudication for the identification of high-risk and suspect claims;

D. Provide a rapid, real time or near real time solution;

E. Limit, and facilitate, the amount of manual effort and review time of flagged high-risk and suspect claims in conformance with federal Prompt Payment regulations;

F. Utilize statistically sound, empirically derived predictive modeling technologies such as neural networking, clustering, classification trees, artificial intelligence and other learning based systems, scoring systems, and knowledge-based systems designed to prevent improper payments of high-risk and suspect claims and identify suspect relationships, patterns, trends, utilization and billing behavior;

G. Process Medicaid historical transaction data and information from external databases;

H. Be linked to third party systems and data sources, such as the MFCU Investigation Database, State Compromised Numbers Database, List of Excluded Individuals/Entities (LEIE), vital statistics, land records and criminal history data;

I. Provide a user friendly feed-back loop for analysts to enter the final resolution of high-risk and suspect claims into the system and, in the event of finding an innocuous billing, ensure that there is no disruption in the release of the claim for proper payment;

J. Optimize itself genetically for improved performance, maximization of its accuracy and minimization of incidences of false positives and false negatives through continuous validation and recalibration of scoring models and allow for regular updates through a feedback loop;

K. Utilize integrated real-time, or near real-time, transaction risk scoring and referral strategic capabilities to identify claims that are unusual or demonstrate signs of potential fraud, waste or abuse;

L. Permit modifications and enhancements in a rapid and timely manner;

M. Provide a change control process that applies quick changes in reaction to changing patterns of behavior;

N. Allow EOHHS visibility into data analysis so that patterns of excessive usage, unusual patterns, comparisons to peers, etc. are identified, scored, and implemented rapidly;

O. Provide workflow management and workstation tools that have the ability to systematically present scores, reason codes, and treatment actions for high risk scored transactions;

P. Mark each flagged claim with a Medicaid denied reason code or model rule explaining to the analyst the reason the claim has been scored high risk or suspect and providing a recommended action such as research claim, request medical records or other documentation, contact provider, perform site visit, provider education, or review provider;

Q. Provide tracking and reporting features with metrics designed to reconcile claims and evaluate and measure performance; and

R. Successfully undergo unit testing, user testing, parallel testing, trading partner testing, performance testing, security vulnerability and ADA testing.

3.2.1.2 System Access and Navigation

The Vendor selected for this engagement must:

A. Provide an interactive, feature rich, web-based user interface that is user friendly, user customizable, responsive to business needs and includes the ability for the user to:

1. Perform decision support and data analytical functions;
2. Perform flexible searches;

3. Receive automatic routing of an unlimited number claims of for review with default alerts and triggers for possible action;

4. Change, create and set additional alerts and triggers for possible action;

5. Enter actions taken on a claim;

6. Generate an audit trail of actions taken on a claim, including incorporation of external documents with date and time stamps;

7. Produce routine and customized reports

8. Navigate intuitively;

9. Perform arithmetic, algebraic, and statistical calculations;

10. Manipulate data through aggregating, grouping, sorting, filtering, and drill downs;

11. Access online help;

12. Visualize system data analysis and reports in multiple formats (e.g., GUI screens, graphs, charts, maps);

13. Export to common desktop applications (e.g., Word, Excel, Access);

14. Control output through save or print functionalities;

15. Rapidly communicate status and resolution of claim reviews;

16. Integrate seamlessly with the MMIS claims payment system; and

17. Integrate with the EOHHS CHOICES Data Warehouse.

B. Work closely with HPES to ensure the security and integrity of the MMIS is maintained at all times;

C. Develop, and implement, a communication plan that addresses all types of interruptions in systems availability;

D. Provide monthly reports of actual performance as compared to agreed upon performance benchmarks;

E. Negotiate with EOHHS the timing of systems maintenance;

F. Ensure that any software utilized as part of the predictive modeling solution pursuant to this SOW adheres to ADA compliance;

G. Ensure that any software utilized as part of the predictive modeling solution pursuant to this SOW conforms with EOHHS and Rhode Island Department of Information Technology (DoIT) security standards; and

H. Comply with and adhere to all applicable Rhode Island Department of Information Technology (DoIT) standards and guidelines, including the federal HIPAA requirements and National Institute of Standards and Technology (NIST) Special Publication 800-53 security standards.

3.2.1.3 Application Hosting

Vendors must provide responses that include both the hosting all hardware and any management services required for the environment. The Vendor selected for this engagement must:

A. If the solution calls for managed services, including hosting, the Vendor will provide a hosting environment whereby the physical hosting, communication, server / hardware, application access, and data storage security mechanisms

comply with and adhere to all applicable state policies, standards, and guidelines, including all federal HIPAA requirements; and

B. Agree that under no circumstances may Rhode Island data be relocated, transmitted, hosted or stored outside the continental United States in connection with any services provided under the contract entered into under this RFP, either directly by the vendor or by its subcontractors.

C. Provide a security assessment of the proposed data center, database and surrounding network and must be performed as indicated below. The cost of the security assessments will be **borne** by the vendor. <u>The results of each Security assessment will be shared with the State of RI, Division Of IT's Chief Security Officer, Chief Information officer, and the EOHHS contact person.</u> A SOC Level 2 security assessment will be conducted yearly with network penetration tests semi-annually or whenever modifications are made to the system. The database must be shown to be secure, properly patched, tested for possible SQL injections (column edits verified) and verifiable by logs and documentation. The operating system must be patched and up to date, and if behind OS current version releases, disclosed to the State of Rhode Island. The State reserves the right to discus and recommend OS version upgrades if necessary. These are the minimally required security assessments. If vendor recommends a more comprehensive security assessment, please indicate in your response.

3.2.1.4 Systems Documentation

The Vendor selected for this engagement must:

A. Create, prepare, produce and distribute the systems documentation and user manuals for the predictive modeling solution in both hard copy and electronic format;

B. Provide, consistent with normal implementation practices, regular updates to user manuals throughout the "Start-Up and Development" phase of the initiative;

C. Provide a copy of most recent SAS-70 or SOC 2 audit report; and

D. Develop, and submit, a written "Security Plan" for the application system and provide specific information concerning security procedures and standards.

E. Provide a written "Disaster Recovery Plan" for the hosting site.

3.2.1.5 Training and Support

The Vendor selected for this engagement must:

A.   Provide training for core users in the effective use of the predictive modeling solution, the system application and the interpretation of results produced in advance of the solution deployment;

B. Develop and deliver curriculum based training that utilizes a cost-effective instructional methodology and incorporates measurable educational goals (e.g., web-based training versus instructor-led training);

C. Plan to meet the training needs of 10-15 system users;

D. Focus training on skill acquisition and enabling end users to become self-sufficient in the use of the predictive modeling solution application software;

E. Develop user-friendly training materials, training aids, and job aids for ongoing end-user reference and support;

F. Solicit feedback on training classes/materials and use this feedback to update presentations at subsequent trainings; and

G. Provide at least semiannually, or in a timely manner following a major system change, two hard copies and two electronic copies of the update training materials.

3.2.1.6 Administrative

The Vendor selected for this engagement must:

A. Acquire a comprehensive understanding of MMIS and all applicable EOHHS program regulations, policies, and procedures, including claim editing and payment rules as they may pertain to the predictive modeling solution so as to maximize the solution's accuracy and performance;

B. Designate its Project Director, who shall report directly to the EOHHS designated Project Manager;

C. Ensure that the Vendor's Project Director and other key staff, as appropriate, are available to attend meetings during the "Start up and Development" phase of the initiative as required by the EOHHS designated Project Manager. These individuals shall:

1. Participate in weekly management status meetings and team management meetings with EOHHS to determine planning and operating issues, and progress toward goals, facilitate a cooperative, team-oriented work relationship, solicit input concerning goal development, and summarize the written status report described below and address other areas deemed relevant and productive by both parties; and

2. Take meeting minutes and furnish copies of these minutes to EOHHS no later than three business days after the meeting;

D. Within five (5) business days of contract signing, provide to EOHHS a list of the telephone numbers, titles and e-mail addresses of all of the Vendor's Key Personnel and upper management staff, including all Teaming Partners and Significant Subcontractors, and continually update the lists whenever pertinent personnel or their phone numbers change;

E. Identify and clearly distinguish all support services the Vendor provides to EOHHS and EOHHS' users from those services provided to the Vendor's other clients;

F. Submit a written status report that documents any problem or issue that threatens the timely completion of the Development effort of the project every two weeks during the "Start up and Development" phase. Each written progress report shall be signed by the Project Director or his/her designee. This report shall:

1. Include summary data on administrative, operations, Quality Management (including resolution of any performance or quality dissatisfaction EOHHS has identified), and financial issues and tasks related to the project;

2. Provide a detailed description of the overall status of the Vendor's progress and performance under the Contract since the last progress report including all pending and active Change Orders;

3. Include a Development Hours report for that period which describes the expenditure of EOHHS development time expended in that period, showing the total number of development hours expended by the Development Staff, sorted by the number of development hours charged to each initiative and also by the number of development hours per member of the development team. During Operations, provide the same information for Change Orders;

4. Include metrics that measure the progress and performance of the development team or operations team as appropriate;

5. Provide critical path information for the project;

6. Detail all problems encountered by the Vendor or its staff, including suggestions for resolving these issues. Each report shall detail any problems discovered in the application software with emphasis on any systems abnormalities or failures caused by the application problems and the corrective action taken and planned to prevent the failures or abnormalities from occurring or recurring;

7. Include a description of all tasks performed and goals achieved in the prior reporting month;

8. Maintain a detailed monthly project plan view that is in sync with the overall project timeline / milestones description of all tasks and goals planned for the succeeding month; and

9. Include the status of Teaming Partner and/or subcontractor compliance and output, if applicable.

3.2.2 Scope of Service – Operations and Maintenance Phase

This section describes the maintenance and operations support requirements that will commence with the implementation of the selected solution and the commencement of operations.

3.2.2.1 Stabilization

Successful completion of all the predictive modeling solution go-live tasks will constitute the end of the Start-Up and Development phase and the beginning of the Operations phase. Stabilization is the first stage of the Operations phase of the predictive modeling solution project, and is defined as the first six months of predictive modeling solution production operations. This is the period when any previously undetected systems defects are detected and corrected. This subsection

describes the Vendor's responsibilities during the Stabilization period of the Operations phase of the initiative.

The Vendor selected for this engagement must:

A. Provide staffing, knowledge transfer and the tools necessary to identify and fix problems with the predictive modeling solution in a timely manner during Stabilization;

B. Provide a pool of readily available resources to solve all production problems that arise after the predictive modeling solution has entered the Stabilization stage. These resources must also be available to support remedial training for users and help desk staff should any Stabilization fix be constitute a significant change from the solution that was implemented; and

C. Establish and follow procedures for handling unplanned disruption of service during the Stabilization period. The procedures must address at a minimum:

1. Identification and severity classification of events of potential emergency events;

2. Notification policies to both Vendor and EOHHS key personnel;

3. Rules for declaring an emergency;

4. Backup and contingency plans by severity of the problem;

5. Recovery plans by severity of the problem; and

6. Mechanisms to identify and resolve the cause of such events and to create remediations to eliminate the threat's return.

3.2.2.2 Systems Software and COTS Products

The Vendor selected for this engagement must:

A. Use best efforts to incorporate into its software license agreements for systems software and COTS products a provision that the Vendor can assign the license to the State of Rhode Island or to a State of Rhode Island designee at no additional cost to the State of Rhode Island at the termination of the Contract;

B. Work cooperatively with State of Rhode Island and vendor staff to integrate the new software into the existing MMIS claims engine, without performance impact;

C. Work cooperatively with State of Rhode Island and vendor staff to integrate any software updates into MMIS.

D. Maintain all software products that are relevant including, if necessary, purchasing Maintenance Contracts.

3.2.2.3 Systems Availability

The Vendor selected for this engagement must:

A. Provide system availability to end users twenty four (24) hours a day, seven (7) days a week except, on notifications, for a standard four (4) hour

maintenance window, to be coordinated with HPES to coincide with existing MMIS maintenance schedules, including all state holidays;

B. Develop and then implement a communication plan that addresses all types of interruptions in systems availability;

C. Provide monthly reports of the actual performance as compared to the agreed-upon performance benchmarks, which will be determined upon the solution deployment (go live); and

D. Secure EOHHS' prior approval for any unscheduled systems maintenance.

3.2.2.4 Systems Documentation

The Vendor selected for this engagement must:

A. Provide updates, annually as well as timely following a significant change, to both the systems documentation and user manuals throughout the Operations term of any Contract plus extensions.

3.2.2.5 Training and Support

The Vendor selected for this engagement must:

A. Maintain training availability for core users in the effective use of the predictive modeling solution, the web-based user interface and the interpretation of results that will maximize the accuracy and performance of the solution;

B. Continue to meet the training needs of approximately 10-15 users;

C. Update, maintain, produce and distribute the user-friendly training materials. Provide at least semiannually, or in a timely manner following a major system change, two (2) hard copies and two (2) electronic copies of the updated training material;

D. One (1) month prior to the scheduled implementation of the predictive modeling solution start up and thereafter maintain throughout the life of the Contract a toll-free user helpline for technical problem resolution operative twenty four (24) hours a day, seven (7) days a week except, on notifications, for standard four (4) hour maintenance window or as needed with prior notice, except federal holidays. Within one business day, callers must have an answer to their questions or be notified that their questions are being researched and an answer is forthcoming. Questions not answered within one (1) business day must be resolved within three (3) business days. Recurring problems must be documented in the normal status reports and deficiencies promptly corrected;

E. One month prior to the scheduled implementation of the predictive modeling solution, designate and thereafter maintain throughout the life of the Contract, a single point of contact for broad-based problem resolution, product functionality requirements questions, issue escalation and status, and other queries that would not be answered by the user helpline; and

F. One month prior to the scheduled implementation of the predictive modeling solution, start up and thereafter maintain throughout the life of the Contract a

secure electronic e-mail communication link that is capable of attaching and sending documents compatible with Novell GroupWise among trained EOHHS staff and the Vendor's project team.

3.2.2.6 Administrative

The Vendor selected for this engagement must:

A. Within five (5) business days of the start of the Operations and Maintenance phase, provide to EOHHS an updated list of the telephone numbers, titles and e-mail addresses of all of the Vendor's Key Personnel and upper management staff, including all partners and Significant Subcontractors who are actively involved in this phase of the initiative; and continually update the lists whenever pertinent personnel or their phone numbers change;

B. Ensure that the Vendor's Project Director, and other key staff, as appropriate, will be available to attend meetings during the Operations and Maintenance phase of the initiative as required by the EOHHS Project Manager. These individuals shall:

1. Participate in weekly team management meetings with EOHHS to determine, review, and resolve business, maintenance, and operating issues and to discuss progress toward goals; facilitate a cooperative, team-oriented work relationship and address other areas deemed relevant and productive by both parties;

2. Participate in monthly (or more frequently if required by circumstances) status meetings with EOHHS to discuss the Vendor's progress and performance under the Contract;

3. Take meeting minutes and furnish copies of these minutes to the EOHHS Project Manager no later than four (4) business days after the meeting; and

4. Track issues discussed in the meetings and be prepared to provide issue resolution update(s) at each meeting.

C. Submit a written status report that documents any problem or issue that threatens the operation of the predictive modeling solution every two (2) weeks during the Operations and Maintenance phase of the initiative. Each written progress report shall be signed by the Vendor's Project Director or his/her designee, and shall include:

1. Summary data on administrative, operations, and financial issues and tasks related to the project;

2. A detailed description of the status of the Vendor's progress and performance under the Contract since the last progress report;

3. Details of all problems encountered by the Vendor or its staff, including suggestions for resolving these issues. Each report shall detail any problems discovered in the application software with emphasis on any system abnormalities or failures caused by the application problems and the corrective action taken and planned to prevent the failures or abnormalities from occurring or recurring;

4. A project status for all system modifications or business changes;

5. A description of all tasks performed and goals achieved in the prior reporting month;

6. A description of all tasks performed and goals planned for the succeeding month; and

7. A status of subcontractor compliance and output, if applicable.

D. On written request by EOHHS, provide within three (3) business days written special progress reports in response to particular problems identified by EOHHS in the performance of work under the Contract. Each report, signed by the Vendor Project Director, shall include a description of the problem, the reason(s) the problem occurred, corrective action plan(s) proposed to prevent the problem(s) from recurring and an implementation date for the corrective action plan(s);

E. Within one month of implementation and every six months thereafter, prepare and report to the EOHHS Project Manager the Vendor's assessment of any Teaming Partner's and Significant Subcontractor's performance of services and a delineation of all support services the Vendor provides to EOHHS from those services provided to the Vendor's other clients;

F. No later than three calendar days from the date of its discovery of any problem that may jeopardize the successful or timely completion of its obligations, notify the EOHHS Project Manager in writing of the problems, including in such notice the Vendor's recommendation for expeditious resolution of the problem;

G. If, after the implementation of the predictive modeling solution, the Vendor experiences an unscheduled cessation of work for a period of one or more calendar days, ensure that the Project Director immediately notifies the EOHHS Project Manager and maintains contact as necessary with the EOHHS Project Manager until operations are restored;

H. Annually, on an agreed-upon date in accordance with the State of Rhode Island's fiscal budget calendar, submit an updated Vendor's staffing plan for the coming year; and

I. Work with all designated EOHHS vendors after implementation of the solution and for the entire remaining term of the Contract.

3.2.2.7 Predictive Modeling Solution Ongoing Enhancements

The Vendor selected for this engagement must:

A. Evolve the predictive modeling solution to accommodate an increasing volume of claims;

B. Supply and incorporate into the predictive modeling solution information from mutually agreed upon external databases, e.g., RICHIST(DCYF), CHOICES data warehouse;

C. Continuously test and train the predictive modeling solution to respond and adapt to feedback loop data, performance measures, and changes in editing and payment rules;

D. Incorporate modifications to the predictive modeling solution's underlying algorithms, mathematical equations and statistical processes in order to adopt innovative "state of the art" developments and emerging and evolving technology trends in predictive modeling;

E. Continuously fine tune the predictive modeling solution to improve performance, maximize accuracy and minimize false positives and false negatives through continuous validation and recalibration of scoring models;

F. Incorporate additional pertinent external databases as they become available;

G. Continuously strive to improve the real time, or near real time, processing of claims through the predictive modeling solution;

H. Make modifications and enhancements to the predictive modeling solution in a rapid and timely manner;

I. Provide a change control process that applies quick changes in reaction to changing patterns of behavior;

J. Provide tracking and reporting features with metrics designed to reconcile claims and evaluate and measure performance; and

K. Participate in successful unit testing, user testing, parallel testing, trading partner testing, performance testing, security vulnerability testing and ADA testing of the integrated MMIS predictive modeling solution.

3.2.3 Business Consultation Services

This section describes the consultation services required of the Vendor to provide industry expertise to operate, maintain, troubleshoot and enhance the predictive modeling solution during the life of the contract and any extension thereto. EOHHS seeks to establish a partnership with the Vendor that will increase the detection of fraud, waste and abuse in the Medicaid program through the use of advanced and innovative technologies. It is expected that the Vendor will draw upon its healthcare expertise, technical expertise, and data modeling and mining expertise to operate the predictive modeling solution at the highest possible peak efficiency, maintain it to the highest possible standards and to continuously seek to enhance its accuracy and performance.

The Vendor selected for this engagement must:

A. Share best practices concerning predictive modeling solutions and other state of the art technologies utilized by other governmental programs and healthcare and insurance industries;

B. Help EOHHS detect potential fraud, waste and abuse in the Medicaid program; and

C. Provide ongoing dedicated support to EOHHS

3.2.4 Milestones and Deliverables

This section details the milestones and deliverables the Vendor shall meet or deliver to Predictive Modeling initiative's development and implementation.

The Vendor will receive payment in accordance with **Section 1.3** on the delivery of the following Deliverables:

Predictive Modeling Initiative Milestone and Deliverables Matrix

Milestone	Deliverable	Due end of	Payment
START UP	Project Plan for entire initiative including project schedule, dependencies and resources	Week 4	15% of the Total Fixed Price upon completion and approval of deliverables
SOLUTION DESIGN & DEVELOPMENT	MMIS integration test results, system test results, performance test results, UAT test results, updated project plan	Month 7	25% of the Total Fixed Price upon completion and approval of deliverables
SOLUTION DEPLOYMENT (GO-LIVE)	Final training materials, user manuals, system documentation, solution walkthrough, updated project plan	Month 12	25% of the Total Fixed Price upon completion and approval of deliverables
STABILIZATION	Defect assessment & resolution report, performance report, updated project plan, enhancement recommendation report	Month 18	25% of the Total Fixed Price upon completion and approval of deliverables
OPERATION & MAINTENANCE	Monthly status and performance reports	Month 24	10% of the Total Fixed Price on completion and approval of deliverables

The Vendor selected for this engagement **must agree to provide the deliverables as stipulated above**. The Vendor may add additional supplemental documentation, but may not eliminate any required deliverables. On the "Project Plan" (see Section 3.4.4) the Vendor must provide the individual dates when these milestones will be completed.

3.3 Required Programmatic Response Supporting Documentation

The Vendor must submit the following material in their response. In response to the requirements in **Sections 3.2.1** through **3.2.4**, Vendors must submit the following information **(suggested page limit 25 pages).** *Note!* Specifically identified and requested sample pages do not count against the suggested page limit):

    A. An "Overall Approach" document that clearly describes how the selected Vendor will successfully meet EOHHS' requirements for this initiative;

B. A sample "Security and Disaster Recovery Plans" for the application system from an engagement similar in size and scope to the initiative described in this procurement;

C. Sample training documentation for the security procedures described in the sample "Security Plan";

D. A detailed list of the software components required to run the Vendor's predictive modeling solution. This description must clearly specify whether these software tools are proprietary, Open Source, or available through public-sector code sharing. For each software tool, the following information should be provided:

1. Alternatives considered and reason for the particular choice made;

2. Identification of the programs developed by the Vendor for use in this initiative;

3. Identification of the programs owned by the Vendor to be used ;

4. Identification of the programs owned by third parties to be used by the Vendor;

5. The programs that are COTS products available for license;

6. The number of licenses required;

7. Copies of all licenses or significant licensing terms;

8. Copies of all software maintenance agreements; and

9. Any other pertinent information about these software components;

E. Diagrams showing the progress of a claim starting with the point at which it is received by the predictive modeling solution to the point it is presented to the end user or returned to the MMIS claims processing system for payment, including, but not limited to, the following events:

1. Reduction and filtering;

2. Feedback loop;

3. Exclusion of low risk claims; and

4. Thresholds set.

F. Diagrams showing the operation of the workflow management and workstation tools;

G. A list of proposed external databases to be incorporated into the predictive modeling solution;

H. A diagram that shows how the predictive modeling solution will be seamlessly integrated into the MMIS claims processing system; and

I. From an equivalent engagement (redacted, as appropriate):

1. Provide sample screen shots or portions of a user manual that illustrate how end users will navigate the web-based user interface and showing its functions and features;

2. Provide three (3) sample routine reports and three sample customized reports that an end user of the web-based application is able to build and generate;

3. Provide three (3) substantive sample pages of material from the hard-copy version of the systems documentation and three sample pages from the user manual;

4. Provide three (3) substantive sample screen print images that depict screens from the electronic version of the systems documentation and three sample pages from the electronic version of the user manual;

5. Provide hard-copy samples of training material handouts and sample screen prints of presentation material and a sample schedule of training events;

6. Provide a representative sample status report produced during the Development Phase and another produced during the Operations Phase;

7. Provide a representative sample status report produced during the stabilization or transition period that illustrates a problem that this initiative is likely to encounter as a subject of such report;

8. Provide a representative sample status report showing the performance intervals to be measured pertaining to system availability; and

9. Provide a representative sample report showing the metrics used to reconcile cases or claims and the evaluation and measurement of performance of the predicative modeling solution, including error rates and accuracy rates.

3.4 Required Programmatic Response Materials

3.4.1 Executive Summary

The Vendor shall include with its response an "Executive Summary" of not more than **5 pages** that summarizes its proposal. The Executive Summary should briefly address:

A. The Vendor's understanding of the overall project, and its goals and objectives;

B. The Vendor's understanding of the project's constraints and its approach to overcoming them;

C. Project risks and the Vendor's approach to managing them;

D. A summary of the proposal that includes an overview of the approach the Vendor will take to complete the initiative; and

E. A description of why the Vendor is the best organization/provides the best staff for this engagement (*see* **Sections 2.1 and 2.2**).

3.4.2 Project Staffing

Identify and provide a curriculum vitae for every member of the proposed Project Team and describe their individual role(s) and the amount of time (degree and duration) that they will be associated with the Project. Discuss their background with similar projects, and their previous experience working together as a team. If not all proposed staff is employed by the Vendor, the Vendor must include a description of how these, and any additional resources that may be needed, will be acquired.

Confirm your assurance that the proposed Project Team will not be re-assigned once a Contract(s) has been awarded until initial implementation is complete.

3.4.3 Staff-Loading and Organization Charts

The Vendor shall include with its response:

A. A staff-loading chart showing Vendor personnel, Teaming Partner(s) and Significant Subcontractor(s) by task;

B. An organization chart for this project, showing the names and titles of all proposed staff as well as the management structure for project oversight; if a proposed individual "belongs" to a teaming partner or significant subcontractor, this must be so noted on the organization chart; and,

C. Specific information describing which staff will be considered local and which shall be onsite as necessary. Describe the expected frequency that these individuals will work on-site.

3.4.4 Project Plan

The Vendor must include with its response a Project Plan, created using an industry standard project planning tool. The Project Plan must commence with Contract signing and end **no later than twenty four (24) months later.** Vendors may propose earlier completion dates as long as EOHHS resources are not overwhelmed. The Project Plan must show task duration and dependencies, listing task numbers and descriptions, and responsible parties.

Section 4 - Business Response

4.2 Government/Business References

A. The Vendor shall provide corporate references from at least two (2) but no more than five (5) entities for which the Vendor has successfully completed a Scope of Services of similar scale to, or larger than, the scope of work contemplated by this RFP. The limit on each such reference is **5 pages**.

Experience with any State of Rhode Island agency **must** be included, in addition to the above references.

These corporate references must include the following information:

1. The client organization's name and address;

2. The name and title, address, telephone number, fax number and e-mail address of a contact person;

3. A brief description of the contract requirements (including a description of the products and services offered, as appropriate);

4. The cost of the effort at contract signing and the final cost of the effort, with a brief explanation of any difference; and

5. The start and end dates for the effort, commencing with the signed contract and the actual start and end dates, with a brief explanation of any difference.

B. The Vendor shall provide a brief history of its organization and a description of its corporate/business experience in relation to the EOHHS expectations listed in **Section 2.1**. This history shall also include:

1. Date of establishment. If applicable, explain any changes in business history or organizational structure that will assist EOHHS in determining the qualifications of the proposing firm.

2. A description of the proposing firm's goals that are relevant, closely related, or will complement this project.

3. Proposers must list all previous relationships with EOHHS programs or initiatives for which consulting services were provided in the last five years. **(Suggested page limit: 7 pages)**

Note: If performance of the Vendor's proposal depends in substantial part on the performance of a Teaming Partner(s), or Significant Subcontractor(s) or other third party(ies), EOHHS requires references and information equivalent to the foregoing regarding the experience and history of each Teaming Partner, Significant Subcontractor, or third party (*see* **Section 4.4**).

4.3 Personnel References

The Vendor must provide résumés for each of the professional staff (*see* **Sections 2.2 and 3.4.2**) offered for this engagement (**Suggested page limit: 4 pages per résumé**). The Vendor must describe all past working relationships between the offered staff, their experience for this project in relation to the EOHHS expectations listed in **Section 2.2** and their availability. If not all proposed staff is employed by the Vendor, the Vendor must include a description of how these, and any additional resources that may be needed, will be acquired. (**Suggested page limit: 3 pages, not including resumes**)

4.4 Subcontractors and Teaming Partners

If the Vendor plans to use a Teaming Partner or Significant Subcontractor[1] for any element of the project, the Vendor shall:

1. Identify each such Teaming Partner(s) or Significant Subcontractor(s) by corporate name, address, telephone number, and status as minority business enterprise;

2. Briefly describe the corporation, including years in business, its organization, experience in Rhode Island, and a synopsis of all previous experience similar to that proposed for their role in this effort (i.e., provide equivalent information as requested in **Section 4.2**);

3. State for which element(s) of the project the Teaming Partner(s) or Significant Subcontractor(s) will be used, and how the Vendor's and the Teaming Partner's or Significant Subcontractor's performance will be coordinated;

4. State for each Teaming Partner or Significant Subcontractor the percentage of the total project effort to be assigned to that partner or subcontractor; and

   (Suggested page limit: 5 pages per Subcontractor or Teaming Partner proposed)

   Note: If the Vendor does not plan to utilize any such Teaming Partner or Subcontractor, the Vendor's response to this section should clearly state that fact. Use of partners and subcontractors shall not count for or against the Vendor per se; however, the qualifications of the partners or subcontractors to perform their assigned functions and the Vendor's ability to manage partners and subcontractors will be reviewed and assessed.

4.5 Security Policies and Procedures

As part of its Business response, Vendors must provide: (1) their own and their proposed subcontractors' respective internal security procedures and policies applicable to work performed by them for customers and (2) the particulars of any circumstances over the past five (5) years in which the Vendor or its proposed

subcontractor(s) has caused a breach of the security, confidentiality or integrity of a customer's data.

4.6 Codes of Conduct

As part of its Business response, Vendors must submit a copy of their organization's written Codes of Conduct. Vendors must also submit a copy of their Teaming Partners or Significant Subcontractor's written Codes of Conduct.

4.7 Conflict of Interest

As part of its Business Response, the Vendor (on its own behalf and for any partner(s) or subcontractor(s)) must:

A. Acknowledge that, in governmental contracting, even the appearance of a conflict of interest is harmful to the interests of the State; and, therefore, the Vendor agrees to take measures to ensure that its officers, employees, agents, consultants and/or sub-contractors comply with all applicable ethical standards.

B. Acknowledge that no officer, employee, agent, consultant and/or sub-contractor of the Vendor participated in developing or drafting any grant or funding applications, contract or other specifications, requirements, scope of work, related to or in connection with this RFP.

C. Disclose any potential or actual conflict of interest, including but not limited to, any relationship or interest, financial, business, beneficial or otherwise, which is in conflict with the proper discharge of their responsibilities described under the RFP and Contract. If there is no conflict(s) of interest, so indicate. In cases where such relationship (s) and/or interests exist or appear to exist, the Vendor shall describe how a potential or actual conflict of interest will be avoided.

Section 5 – Evaluation and Selection

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Programmatic and Business Response must receive a minimum of 60 (85.7%) out of a maximum of 70 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 30 points in cost category, bringing the potential maximum score to 100 points.

EOHHS reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

Criteria	Possible Points
<u>Organizational Background/Qualifications/Project Staffing</u> Proposals will be judged on the basis of relevant prior experience in providing products and services of this type to governmental agencies for the purposes outlined in this RFP. Consideration will be given to the number and size of similar contracts. Proposals will be judged on the basis of the qualifications of the proposed Project Team, as well as their previous experience working together on similar projects.	25 Points
<u>Products and Services</u> Proposals will be reviewed to judge the degree to which the products and services proposed are likely to meet or exceed satisfy the State's expectations for cost avoidance, taking into account any stated or perceived limitations.	30 Points
<u>Understanding of the Requirements of the Project</u> Proposals will be judged to determine the extent to which they indicate a clear understanding of the State's needs.	Pass/Fail
<u>Implementation Plan and Project Timeline</u> Proposals will be judged to determine the completeness of the task list and reasonability of the Implementation Plan and Project Timeline, as well as the level of assistance required from either the State or its vendors.	15 Points
<u>Interface</u> Describe in detail how your products and services would interface with the State's current strategies and systems.	Pass/Fail
Total Possible Programmatic and Business Response Points	**70 Points**
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 30 points *	30 Points
Total Possible Points	**100 Points**

*The Low bidder will receive one hundred percent (100%) of the available points for cost. All other bidders will be awarded cost points based upon the following formula:

(low bid / vendors bid) * available points

For example: If the low bidder (Vendor A) bids $65,000 and Vendor B bids $100,000 for monthly cost and service fee and the total points available are Thirty (30), vendor B's cost points are calculated as follows:

$65,000 / $100,000 * 30= 19.5

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal. Applicants may be required to submit additional written information or be asked to make an oral presentation before the Technical Review Committee to clarify statements made in their proposal.

Section 6 – Proposal Submission

Questions concerning this solicitation may be e-mailed to the Division of Purchases at David.Francis@purchasing.ri.gov no later than the date and time indicated on page one of this solicitation. Please reference **RFP # 7461254** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-9709.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted.** Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses **(an original plus four (6) copies)** should be mailed or hand-delivered in a sealed envelope marked "**RFP # 7461254 Enhanced Fraud, Waste and Abuse and Improper Payment Surveillance and Detection Capability** " to:

RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

RESPONSE CONTENTS
Responses shall include the following:
1. A completed and signed four-page R.I.V.I.P generated bidder certification cover sheet downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
2. A completed and signed W-9 (included in the original copy only) downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
3. A Programmatic Response (See Section 3)
4. A Business Response (See Section 4).
5. A **separate, signed and sealed** Cost Proposal (See Attachment 1)
6. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in electronic format (CD-ROM or flash drive). Microsoft Word OR Searchable PDF format is preferable. Only 1 electronic copy is requested and it should be placed in the proposal marked "original".

CONCLUDING STATEMENTS

Vendors shall also comply with the following provisions:

Award - Multiple contracts may be awarded for this work.

Conditions Governing Subcontracting - If the Vendor(s) intends to use any sub-vendors, the vendor(s) must clearly identify the sub-vendor in the response to the RFP. The vendor(s) retains responsibility for the completion and quality of any work assigned to sub-vendors. The vendor(s) is expected to supervise the activities of sub-vendors and employees in order to ensure quality.

Compliance with Statutory, Regulatory and Other Standards - The vendor(s) must comply with all applicable state and federal regulations and statutes.

Confidentiality and Protection of Public Health Information and Related Data - In the event that protected health information or other confidential data must be shared by EOHHS with the vendor(s), the vendor(s) shall be required to execute a Business Associate Agreement Data Use Agreement, among other requirements, shall require the successful vendor(s) to comply with 45 C.F.R 164.502(e), 164.504(e), 164.410, governing Protected Health Information ("PHI") and Business Associates

under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191), 42 U.S.C. Section 1320d, et seq., and regulations promulgated there under, and as amended from time to time, the Health Information Technology for Economic and Clinical Health Act (HITECH) and its implementing regulations, and regulations promulgated there under, and as amended from time to time, and the Rhode Island Confidentiality of Health Care Information Act, R.I. General Laws, Section 5-37.3 *et seq.* The successful vendor(s) shall be required to ensure, in writing, that any agent, including a sub-vendor to whom it provides Protected Health Information received from or created or received by and/or through this contract, agrees to the same restrictions and conditions that apply through the above-described Agreements with respect to such information. Any information provided by EOHHS to the vendor(s) for the completion of the project may not be sold, given or otherwise shared with outside parties.

Computers – Computer hardware, software, and other such technology required to complete the work of the contract are the sole responsibility of the vendor(s).

Data and Reports - Data, information, and reports collected or prepared by the vendor(s) as well as equipment purchased by the vendor(s) in the course of performing its duties and obligations and paid by the State under this contract shall be deemed to be owned by the State of Rhode Island. This provision is made in consideration of the vendor(s) use of public funds in collecting and preparing such data, information, and reports, and in purchasing equipment.

Office Space and Equipment – Office space and equipment required to complete the work of the contract are the sole responsibility of the vendor(s).

Travel - All travel costs for Vendor(s) staff, including in-state and out of state travel necessary to carry out the tasks within the contract, shall be included in the fully loaded price point.

Security Policies and Procedures - As part of its Business response, Vendors must provide: (1) their own and their proposed subcontractors' respective internal security procedures and policies applicable to work performed by them for customers and (2) the particulars of any circumstances over the past five (5) years in which the Vendor or its proposed subcontractor(s) has caused a breach of the security, confidentiality or integrity of a customer's data.

Information Technology Procurements - All IT systems and applications developed by, or for Executive department agencies of Rhode Island, must conform with The Division of IT's (DOIT) Policies, Standards and Procedures promulgated by the State's CIO. Rhode Island Division of IT may choose to require the vendor, at his own cost, to re-engineer the non-conforming system for the purpose of bringing it into compliance with Rhode Island's Information Technology Policies, Standards and Procedures. RI policies can be found at: http://www.doit.ri.gov/security/infosec/index.php

Data Breach - The vendor must (i) store all RI data in an encrypted form in the hosting system's database; and (ii) maintain a transaction log of each use and an audit trail that will permit EOHHS to determine if there has been unauthorized disclosure of personal information. The vendor shall cooperate with EOHHS and DOIT and use its best efforts to assist DOIT, the State Chief Security Information Officer, and EOHHS in all data reporting, corrective action, and mitigation obligations in the event of a data breach or possible security intrusion. Any suspected data breach or suspected security intrusion recognized by the vendor must be reported to the State Chief Information Officer, the State Chief Information Security Officer and an EOHHS contact person within one hour. Follow up and mitigation to a data breach or security intrusion must be addressed and confirmed immediately by the vendor and disclosed to the State of RI in full.

Changes in Scope / Additional Responsibilities - EOHHS shall have the option, at its sole discretion, to modify, increase, reduce or terminate any activity related to any Contract that may result from this RFP whenever, in the judgment of EOHHS, the goals of the project have been modified or altered in a way that necessitates such changes.

EOHHS may determine that additional work products could be added to the final Scope of Work. If additional funds become available during the Contract duration period, EOHHS reserves the right to increase the maximum obligation of the SOW executed as a result of this RFP. EOHHS may also determine that previously approved work products are no longer required, or that work products or deliverables must be modified.

In any case, EOHHS will provide prior written notice of any such action to the Vendor, and the parties will negotiate the effect of such changes in scope in the schedule and payment terms. No compensation shall be owed, nor credits given, until the parties reach agreement on the modified Change Order or SOW amendment. Such Change Order or SOW amendment, when approved, shall detail the changes, the cost impact (if any) and the timeline impact (if any).

ATTACHMENT 1 – Cost Response Tables

Table 1

Vendors must complete.

Firm, fixed, fully loaded cost during the initial term to develop and maintain a real-time, or near real-time predictive modeling solution to score and flag high risk and suspect Medicaid claims as described in **Sections 3.2.1, 3.2.2,** and **3.2.3.**	
Initial Term -Software License Fees (specify each product) -All application hosting related costs and expenses the Vendor anticipates it will incur in Year 1 -Business Consultation Services -Maintenance (includes all modifications and updates) -All other real and incidental costs the Vendor anticipates it will incur that are not specifically identified in Cost Response Table 1; and -All other costs or expenses, including deliverable reproduction and presentation preparation costs, travel, and other indirect costs	Subtotal cost: $_____
Initial Term Year 2 -Software License Fees (specify each product) -All application hosting related costs and expenses the Vendor anticipates it will incur in Year 2 -Business Consultation Services (*complete Table # 2A below*) -Maintenance (includes all modifications and updates)	Subtotal cost: $_____
Extended Term Year 3 -Software License Fees (specify each product) -All application hosting related costs and expenses the Vendor anticipates it will incur in Year 3 -Business Consultation Services (*complete Table # 2B table below*) -Maintenance (includes all modifications and updates)	Subtotal cost: $_____
Extended Term Year 4 -Software License Fees (specify each product) - All application hosting related costs and expenses the Vendor anticipates it will incur in Year 4 -Business Consultation Services (*complete Table # 2C table below*) -Maintenance (includes all modifications and updates)	Subtotal cost: $_____
TOTAL	$_____

Table #2A - Initial Term Year 2

Business Consultation Services Personnel Name/Title	Rate per Hour
	$
	$
	$
	$
	$

Table #2B - Extended Term Year 3

Business Consultation Services Personnel Name/Title	Rate per Hour
	$
	$
	$
	$
	$

Table #2C - Extended Term Year 4

Business Consultation Services Personnel Name/Title	Rate per Hour
	$
	$
	$
	$
	$

ATTACHMENT 2 - Rhode Island MMIS Application Overview

MMIS is the Rhode Island Medicaid claims processing system that is presently maintained by the State's Fiscal Agent Hewlett Packard Enterprise Services (HPES). The MMIS involves a complex set of business functions, summarized in the CMS MITA (Medicaid Information Technology Architecture) business framework.

The diagram below provides a high-level overview of the present MMIS architecture.
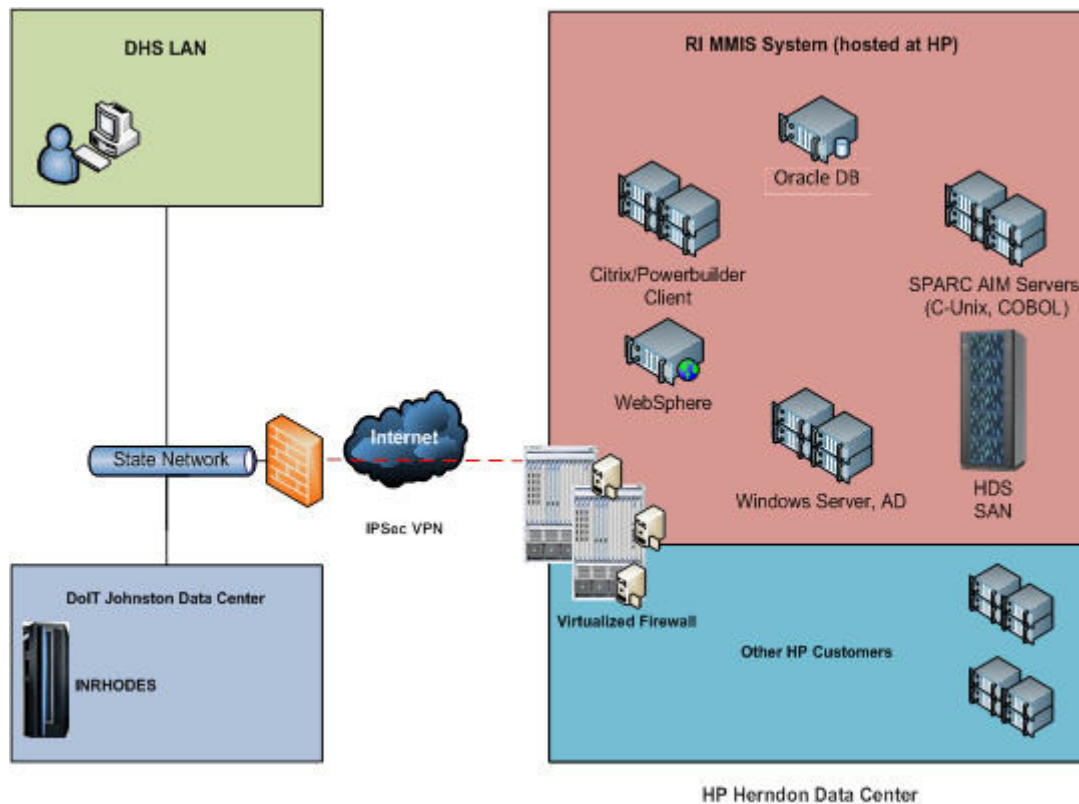
The MMIS Fiscal Agent contract has been negotiated with HPES, the successful bidder for RFP #7449255. The MMIS system is presently located in the cloud in Herndon, VA in an HPES data center. The current MMIS data center is currently being moved to HPES' Orlando Data Center (ODC) in Orlando, Florida. It is anticipated that the move will be complete in 2013.

In addition, the re-procurement is resulting in significant enhancements to the MMIS system guided by an EOHHS Enterprise Application Architecture Strategy for the long-term improvement of its enterprise systems and technical capabilities. This strategy is part of the Enhanced MMIS Transition strategy and is aligned with the following significant documents:
- CMS MITA Technical Architecture goals;
- CMS Enhanced Funding Requirements: Seven Conditions and Standards; and
- EOHHS Strategic Technology Plan.

Enhancements will be performed in the 2012 Q4 to 2013 Q3 timeframe. The MMIS major areas for enhancement of the current system are:

- Care Management
- Cost-Savings Initiatives
- Customer Service
- Claims Processing
- Eligibility (Beneficiary Management)
- Managed Care
- Financial and Program Reporting

The enhancements include significant upgrades to the MMIS technical infrastructure and additional software to meet MMIS business needs. Additional MMIS enhancement details can be viewed in the Rhode Island MMIS Re-procurement RFP #7449255.

_____

General Architecture Information

Host Platform:
The core MMIS system is hosted on Sun SPARC servers running Solaris 10. Support subsystems such as Microsoft Active Directory are hosted on Dell and HP Intel-based servers and utilize Windows Server 2003 and 2008. HPES is using VMWare for virtual hosting. The SPARC servers are connected to a Hitachi Data Systems SAN storage solution. There is little or no redundancy built into the host environment for the MMIS. Backups are conducted using a StorageTek SL500 Tape Library and Veritas backup software. Servers are connected via fiber channel to the storage and backup environment. Once the move to Orlando is finished, the State can provide revisions to the hardware listed in this paragraph.

Network:
EOHHS connects to the MMIS in Herndon via a 30 MB Internet connection and IPSec Virtual Provider Network (VPN). The Herndon data center core network is comprised of a pair of Cisco 6509 switches with HP Procurve access layer switches.

Security:
Perimeter security and VPN termination are provided at the HPES Herndon Data Center using a Checkpoint Firewall implementation on Crossbeam hardware. A virtual firewall instance is dedicated to the Rhode Island MMIS systems. Internal network segmentation is provided by a Cisco ASA 5520 firewall. Client authentication security is provided by Microsoft Active Directory through the Windows Server/Citrix thin client environment.

_____

Front-end Applications

Core Application:
The HPES AIM system is the core MMIS application running in Rhode Island today. AIM is developed 60 percent in UNIX C code and 40 percent in COBOL running on Sun Solaris 10 platform. UNIX Job scheduling is accomplished using Autosys and individual UNIX scripts. Client access to AIM is provided via a Power Builder application running on a Citrix Presentation Server to allow thin client access from Rhode Island. Web application services are developed in IBM WebSphere and data is stored in an Ingres data base system. Within the last year, HP migrated the MMIS data from a legacy Ingres database to an Oracle RDBMS system to support greater interoperability and supportability of the MMIS business needs.

The MMIS application is comprised of the following subsystems or application modules:
- Claims Processing – Provides claims inventory control; performs claims entry, edits, audits, and correction control; and performs claims pricing assessments and history data.
- Provider Services – Updates and maintains provider data store; produces provider reports allows online access to provider data; and monitors new provider enrollment and annual provider re-certification.
- Recipient Services – Captures and maintains recipient data store by receiving information from various sources within and outside the Rhode Island system; and allows recipient data inquiries and updates.
- Financial – Processes claim adjustments and financial transactions; maintains drug rebate processing; and produces payments for providers.
- Reference – Updates and maintains reference data store and edits/audits rules; allows online access to reference data; and produces reference reports.
- Third Party Liability (TPL) – Updates and maintains TPL data stores via online screens; allows online access to TPL data; edits claims for cost avoidance; and recovers funds from third-parties when TPL resources are identified after Medical Assistance has paid a claim.
- Management and Administration Reporting (MAR) – Generates MARS Reports, as well as financial and budget reports.
- Surveillance and Utilization Review (SUR) – Updates the SURS Control Files; extracts paid claims data; and processes quarterly reports. A new SURS Profiler was added in 2010 to provide additional fraud and abuse functionality.
- Managed Care – Collection, verification, and storage of the provider files, client files, encounter files, and aggregate files.
- All of these subsystems and application modes interface with other subsystems in the MMIS to receive or provide needed data.

Provider Portal:
The MMIS system has an interactive web services portal to upload claims, download remittances, provide interactive eligibility verification, check claims status and prior authorization inquiries, use the message center, and get remittance payment verifications. Providers are able to input recertification information via the Provider Portal.

Choices Data Warehouse:
The Data Warehouse data source content of the Data Warehouse is described elsewhere in this RFP document. A logical high-level design view of the HSDW is shown below, depicting the architecture in block diagram format.

CLIENT TIER

Browser-Based Applications
- InfoView
- Web Intelligence
- Central Management Console

Packaged Applications
- Central Configuration Manager
- Publishing Wizard
- Import Wizard
- Translation Manager
- Software Inventory Tool
- Universe Designer
- Universe Builder

- Information Designer
- Desktop Intelligence
- Business View Manager
- Report Conversion Tool
- Query as a Web Service
- Universe Connection Manager
- Repository Diagnostic Tool

- Web Intelligence Rich Client
- Data Source Migration Wizard
- Xcelsius Dashboards and Scorecards

APPLICATION TIER

Web Application Server
- WebSphere

Packaged Applications
- Voyager
- BO Enterprise Web Services
- wDeploy Tool

INTELLIGENCE TIER

Central Management Server	Input/Output File Repository Servers	Event Server	Desktop Intelligence Cache Server

PROCESSING TIER

Job Servers

- Adaptive Job Server
- Program Job Server
- Desktop Intelligence Job Server
- Destination Job Server

Processing Servers

- Adaptive Processing Server
- Desktop Intelligence Processing Server
- Web Intelligence Processing Server
- Multi-Dimensional Analysis Server
- Connection Server

DATA TIER

OLAP	Relational	Other
Future for RI	Oracle 11g for RI	XML, ERP, CRM, COM